

REMARKS

This Amendment and Request for Reconsideration is submitted in response to an outstanding Office Action dated February 16, 2007, the shortened statutory period for response set to expire on May 16, 2007. Accordingly, the response is timely. In the event that the Commissioner determines that an extension of time is required, the undersigned hereby petitions for such extension of time and authorizes the Commissioner to charge the Milbank deposit account (13-3250) for any required fee.

I. Status of the Claims

Please cancel claim 44 and amend claims 12, 20, 21, 22, 23, 24, 42, 51, 52, 53, 54 and 87, as indicated above. Claims 1-11, 25-41, 58-86 and 90-92 have been withdrawn and claims 12-24, 42, 43, 45-57 and 87-89 are now pending in the application. Pending claims 12, 20, 21, 22, 23, 24, 42, 51, 52, 53, 54 and 87 are independent claims.

Applicants acknowledge the Examiner's citation of statutory authority as a basis for claim rejections.

II. Rejections under 35 U.S.C. § 103

The Examiner has rejected claims 12-15, 17-24, 42, 44-48, and 51-57 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,173,270 to *Cristofich* in view of what the Examiner characterizes as applicant's admitted prior art (AAPA). The Examiner has rejected claims 16, 43 and 49 under 35 U.S.C. § 103(a) as unpatentable over *Cristofich*, what is characterized as AAPA and further in view of U.S. Patent Publication No. 2001/0044767 to *Madoff*. Claim 50 is rejected under 35 U.S.C. § 103(a) as unpatentable over *Cristofich*, what is characterized as AAPA and further in view of U.S. Patent No. 6,519,574 to *Wilton*. Finally, claims 87-89 are rejected under 35 U.S.C. § 103(a) as unpatentable over *Cristofich*, what is

characterized as AAPA and further in view of Hasbrouck, Sofianos and Sosebee ("*Hasbrouck*").

Applicants respectfully traverse the rejections. As below, applicants submit that even in combination none of the cited references disclose all of the claim requirements in the original claims, and further what the Examiner characterizes as AAPA is not admitted prior art. However, applicants have amended the claims to more clearly describe the claimed invention, and thereby advance the application to allowance.

"Applicants Admitted Prior Art"

First, and as the Examiner has acknowledged, *Cristofich* fails to disclose or suggest a number of the elements of the claims. To supply the missing claim limitations, the Examiner relies almost entirely on what is characterized as applicants admitted prior art (AAPA). The parts in the specification of the instant invention that the Examiner relies on as AAPA are found on pages 1 and 2 under a section entitled "Description of the related art." However, the Examiner has ignored Applicant's express disclaimer of any such description as prior art, (see page 2, lines 7-8). The Examiner is improperly using hindsight to construction the claims with a map that is based on the applicant's specification. Use of hindsight is improper and is not allowed. Further, because there is no such admitted prior art, it is improper for the Examiner to rely on applicants' own specification as prior art in order to reject the pending claims. Withdrawal of the rejections based on what is characterized as AAPA is requested at least for this reason alone.

The rejections under 35 U.S.C. § 103 are also improper because even if combined, the cited references and what is characterized as AAPA fail to disclose, teach or suggest all of the requirements of the claims.

Claims 12-24

By way of example, claim 12 recites: A method for automatically processing a securities order on a securities exchange, the method comprising: automatically receiving a securities order; automatically determining whether the securities order includes an indicator requesting automatic execution; exposing the order for possible price improvement if the securities order does not include an indicator requesting automatic execution; and automatically executing at least a portion of the order at a quote price, without exposing the order for possible price improvement, if the securities order includes an indicator requesting automatic execution.

The Examiner states that *Cristofich* discloses a method for automatically processing a securities order on a securities exchange directed at a stock option control and exercise system operated through a stock exchange. (office action at page 2, paragraph 2). In the rejection, the Examiner relies on *Cristofich* col. 9, lines 15-20 for disclosure of automatically executing at least a portion of the order at a quote price without exposing the order for possible price improvement. The Examiner states it is implicit that no attempt is made to expose the order for possible price improvement. Applicants strongly disagree. There is nothing implicit at all in *Cristofich* with respect to not exposing for price improvement. *Cristofich* merely states at col. 9, lines 15-20, that “the system links to an exchange for automatic execution of the options exercised.” In contrast to the Examiner’s assertion and as applicant’s specification makes clear, normally without the claimed invention, when an order is sent to a securities exchange such as NYSE, it is exposed for price improvement. (e.g., specification at page 7, lines 7-13). Thus, if anything, it is implicit in *Cristofich* that orders sent to an exchange according to *Cristofich* are exposed for price improvement. This is the exact opposite of “automatically executing at least a portion of the order at a quote price, without exposing the order for possible price improvement”

as recited in pending claim 12. This feature of automatically execution without exposing the order for possible price improvement is found in pending claims 12-24. Because there is nothing implicit with respect to execution without price improvement under *Cristofich*, the rejections of claims 12-24 on the stated bases are unsupported and must be withdrawn.

Claims 42-57

In the rejection, the Examiner acknowledges that *Cristofich* fails to disclose all of the claim requirements and again relies on what is characterized as AAPA, and what is described as “an implicit comparing step involved in validating an order for automatic execution.” (see office action at page 7). As above, applicants submit that there is no AAPA.

By way of example, claim 42 recites: A method for processing a securities order on a securities exchange, the method comprising: receiving the securities order; determining whether the securities order includes an indicator requesting automatic execution and a price of the order; exposing the securities order for possible price improvement if the securities order does not include an indicator requesting automatic execution; comparing the price of the order to a quote if the securities order includes an indicator requesting automatic execution; and changing the status of the order from automatic execution to regular execution if the securities order includes an indicator requesting automatic execution and the price of the order is not equal to or better than the quote.

Neither *Cristofich*, nor what is characterized as AAPA disclose all of these requirements and the Examiner has provided absolutely no support for the statement that a comparing step involved in validating an order for automatic execution is implicit. Withdrawal of the rejection is respectfully requested.

Claims 87-89

Referring to the bases for rejection of claim 12, the Examiner again acknowledges that *Cristofich* fails to disclose all of the claim requirements and relies on what is characterized as AAPA. The Examiner also relies on *Hasbrouck* for published quotes.

By way of example, claim 87 recites: A method for automatically processing a securities order on a securities exchange with an auction market crowd, the method comprising: receiving a securities order; automatically determining whether the securities order is identified for automatic execution; exposing the securities order to the auction market crowd for possible price improvement if the securities order is not identified for automatic execution; automatically executing the transaction against a published quote if the securities order is identified for automatic execution; and automatically updating the published quote based on the order if the securities order was automatically executed against the published quote.

As above, applicants submit that there is no AAPA, and the stated reason for combining *Cristofich*, AAPA and *Hasbrouck* provides no particular bases for combination of these particular references in the way that the Examiner proposes. Again, the Examiner is relying on hindsight to combine unrelated references, using applicants specification as a roadmap. Withdrawal of the rejection is respectfully requested.

All pending claims

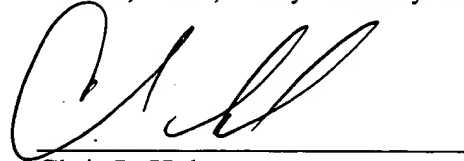
In addition to the distinctions above, pending claims 12-24, 42, 43 and 45-57 also state “an indicator requesting automatic execution” and claims 87-89 state “a securities order is identified for automatic execution.” At most, *Cristofich* discloses “the system links to an exchange for automatic execution of the options exercises.” There is nothing in *Cristofich* that discloses or suggests an indicator requesting automatic execution. This is a further reason why

the Examiner's rejection should be withdrawn. Finally, as amended, the claims recite determining whether the securities order includes an indicator requesting automatic execution or determining whether a securities order is identified for automatic execution. There is nothing in any of the cited references that discloses or suggests this additional requirement of the claims.

III. Request for Reconsideration

Applicants respectfully submit that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.

Respectfully submitted,
Milbank, Tweed, Hadley & McCloy LLP



Chris L. Holm
Reg. No.: 39,227

March 23, 2007

Milbank Tweed Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005
(212) 530-5000 / (212) 530-5219 (facsimile)